



THE HARVARD PROJECT ON AMERICAN INDIAN ECONOMIC DEVELOPMENT

John F. Kennedy School of Government • Harvard University

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Homeownership: Financial, Credit & Consumer Protection Program Umatilla Reservation Housing Authority Confederated Tribes of the Umatilla Indian Reservation

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Recognizing the links between promoting a strong economy, maintaining positive cultural connections, and having the ability to own a home, the Umatilla Housing Authority promotes the Wapayatat Homeownership: Financial, Credit & Consumer Protection Program. The seven-week course provides asset building and saving strategies, while generating awareness about predatory lending practices. The Program also assists citizens in developing financial literacy skills using culturally grounded curriculum, bringing the dream of homeownership closer to reality. Under the Umatilla Individual Development Account (IDA) program, the Confederated Tribes provide a savings-match incentive, giving tribal citizens up to 3 years to successfully close a home loan. As citizens build and own homes on tribal land, wealth is accumulated and the community, economy, and the Tribes are strengthened.

Mission, a small town located adjacent to Pendleton, Oregon, is home to the Confederated Tribes of the Umatilla Indian Reservation (CTUIR). CTUIR is composed of the Walla Walla, Cayuse, and Umatilla peoples. Even as treaty negotiations in 1855 paved the way to creation of the Umatilla reservation, Young Chief (a Cayuse leader) steered the Tribes toward self-governance, stressing, "We have our own ways, and our own place." The Umatilla Reservation Housing Authority (URHA) continues this stand by furthering opportunities for citizens to live and prosper on their traditional homelands.

Across much of the world, homeownership is a key to basic wealth accumulation that can undergird family security, the launching of small businesses, and the financing of families' investments in higher education. Like much of Indian Country, however, homeownership has been hampered on the Umatilla Reservation by a checkerboarded pattern of tribal trust land, tribal trust allotments, and tribal fee land ownership. Also, CTUIR citizens have struggled with the aftermath of the Relocation era: citizens returning to reservation homelands found little to no tribal economy and few housing options. These problems are exacerbated by deficient financial literacy skills and poor access to credit.

Taking a multi-pronged approach to the challenges facing tribal citizens' homeownership, the Wapayatat Homeownership Program recognizes that long-term financial and credit sustainability are critical for homeownership. The Program employs a comprehensive strategy to educate across income levels, address barriers through refined tribal services, foster partnerships and professional relationships with external lending sources, and utilize tribal economic infrastructure. In so doing, the URHA's Homeownership Program continues to

fortify the words of Young Chief while building housing options for CTUIR citizens, strengthening the economy and the nation.

The launching of the Wapayatat Homeownership Program in 2001 led the URHA to recognize that tribal families not only need help understanding the mortgage process, but they also need additional assistance understanding the interrelationship of spending, budgeting, savings, and credit to the overall homeownership process. The staff knew that many existing housing services were geared toward low income families. With these backstops for the most needy in place, the URHA targeted services to citizens with higher incomes, providing them with opportunities to secure affordable housing while also lessening the burden on the already over-extended tribal housing waiting list. The Wapayatat Program is a seven-week course in which participants learn about personal banking, finance, and credit, as well as consumer protection. During the course, participants cover topics that include budgeting, savings, credit scores, interest rates, high balance credit debt, predatory lending, and lender fraud. They track their daily expenses in a journal and develop a savings plan with assistance from staff. In addition to lessons covering basic personal finance, the Pathways Home: a Native Homeownership Guide curriculum is incorporated. URHA has modified the guide to include information about the loan process, loan products, and trust land complexities unique to the Umatilla reservation.

Additional workshops coincide with the course and include the Women Investing Series, the ABCs of Car Buying, and the Summer Youth Financial Series. These workshops teach participants about 401k accounts and other investing options, as well as the car buying process. The youth program provides young community members with personal financial skills that meet their particular needs.

The CTUIR is one of the first and only Native nations in the Northwest region to implement the Individual Development Account program. CTUIR receive funds from the State of Oregon to develop the Umatilla Saves and Umatilla Builds programs. The Umatilla Saves program offers financial literacy training and a \$4,500 savings match incentive to tribal citizens who reach a goal of saving \$1,500 for closing home loans. The Umatilla Builds program offers a matching fund for home construction to participants who contribute a minimum of \$2,500 toward site development costs. To expand these initiatives to strengthen the nation's economy and support community development, the tribal government has directly invested \$140,000 of tribal funds in the homeownership program.

Developing lasting and trusting relationships with nearby financial institutions was another daunting task for the URHA. Historically, financial institutions serving the city of Pendleton generally lacked knowledge about the unique status of Indian lands and tribal citizen circumstances. Bureau of Indian Affairs leasing agreements, tribal planning and zoning, and fractioned ownership in allotted land have been complex and often misunderstood. In addition, a lack of tribal mortgage and uniform commercial codes hindered the URHA's ability to attract mortgage lenders to the reservation. To combat these problems, the URHA developed a one-stop CTUIR Mortgage and Realty Service. The Service streamlines the steps of the allotment process and allows URHA staff to easily coordinate with federal and tribal department stakeholders to centralize administration, allowing tribal citizens to obtain necessary information and documentation in a single visit.

The URHA diligently recruits banks and other lending sources. In the beginning stages of the Program, Wells Fargo Mortgage was the only bank willing to perform lending on the Umatilla reservation, and Washington Mutual Bank was the only lender willing to hold IDAs for community members. After developing its effective and reputable approaches, URHA sought

and secured partnerships with several additional lenders willing to provide loan services to potential tribal home buyers. Now, even a local credit union offers car loans to tribal citizens and is working to become a HUD Section 184 lender.

The CTUIR control planning and zoning over all lands within the reservation boundaries and continually seek to streamline processes to best meet the housing and economic needs of its citizens. Through efforts of the Wapayatat Homeownership Program, tribal citizens have a greater awareness and understanding of Umatilla financial strategies, sovereignty, culture, history, and jurisdiction. By creating homeownership opportunities for citizens that work along with economic development initiatives, the CTUIR is able to retain citizens in the community while attracting off-reservation citizens back home, strengthening its ability to function as a nation.

Lessons:

- When Native nation housing agencies include financial education and consumer credit counseling in the mortgage lending process, they promote successful loan repayment and long-term sustainability in homeownership.
- By customizing existing services and products to the particular needs and culture of the community, tribes can address homeownership barriers without duplicating already established work.
- Strong partnerships with a variety of financial institutions help to provide citizens and the nation with options as they consider services that best suit their needs.

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